



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

FISCAL REVIEW COMMITTEE

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AUGUST 2010 STATE REVENUE COLLECTIONS

TENNESSEE GENERAL ASSEMBLY FISCAL REVIEW COMMITTEE STAFF

SEPTEMBER 10, 2010

The Fiscal Review Committee (FRC) staff has prepared the attached estimate of August revenue collections necessary to meet the budgeted estimate for fiscal year 2010-11, which began July 1, 2010. Collections are recorded on an accrual basis with August as the first month for which collections are measured in FY10-11.

The estimates are a projection of collection patterns required for each tax, total revenue collections, and general fund collections to meet the amount required to fund the budget adopted by the General Assembly for FY10-11. Monthly estimates will be revised as the budget is revised based upon recommendations of the State Funding Board in December 2010 and in the spring of 2011.

For August 2010, total collections were \$749,285,000, an under-collection of \$6,408,200 relative to the FRC budgeted estimate for the month. Sales taxes were over-collected by \$10,127,000. Franchise and excise taxes were under-collected by \$12,878,000, and all other taxes were under-collected by \$3,657,200.

Relative to actual collections in August 2009, total collections increased by 3.08 percent, compared to the FRC budgeted estimate of a 3.96 percent increase. General fund collections increased by 3.50 percent, compared to the FRC budgeted estimate of a 4.11 percent increase.

Sales tax collections increased by 3.26 percent, compared to the FRC budgeted estimate of a 1.30 percent increase. Franchise and excise tax collections decreased by 44.82 percent, compared to the FRC budgeted estimate of a 16.86 percent increase. All other tax collections increased by 7.90 percent, compared to the FRC budgeted estimate of a 9.85 percent increase.

The budget for FY10-11 adopted by the General Assembly assumed positive total revenue growth of 1.60 percent and positive general fund growth of 1.62 percent, based on actual collections to date (not including remaining accruals, the impact of which has not yet been determined by the Department of Finance and Administration).